

LEASE AGREEMENT
BETWEEN
COUNCIL OF UNIT OWNERS CLARKSBURG HIGHLANDS CONDOMINIUM
AND
MONTGOMERY COUNTY, MARYLAND

DATED: 11/7/06

TABLE OF CONTENTS

1. Leased Premises
2. Term
3. Renewal Option
4. Rent
5. Additional Rent
6. Parking
7. Use
8. County Property Damage and Liability Insurance
9. Landlord Property Damage and Liability Insurance
10. Access
11. Landlord Services
12. County Services
13. Alterations, Additions and Improvements
14. Notice of Defects
15. Assignment and Subleasing
16. County's Covenants
17. Destruction of Premises
18. Delivery of Premises
19. Default
20. Holdover
21. Quiet Possession
22. Statutory Provisions
23. Waiver
24. Non-Discrimination
25. Non-Appropriation
26. Contract Solicitation
27. Public Employment
28. Condemnation
29. General Provisions
30. Subordination
31. Benefit and Burden
32. Waiver of Jury Trial
33. Signage
34. Mail Notices
35. Survival
36. Mechanic's Liens
37. Trash Removal
38. Common Area Costs
39. Real Estate Taxes
40. Option to Purchase

Exhibit A- Leased Premises

Exhibit B- Tenant Estoppel

Exhibit C- Resolution from Condominium Association

Exhibit D- Assignment or Sublease of Leased Premises

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease"), entered into this 7TH day of November, 2006 by and between Council of Unit Owners Clarksburg Highlands Condominium, having an address of 7514 Wisconsin Avenue, Suite 500, Bethesda, Maryland 20814 (hereinafter referred to as "Landlord") and MONTGOMERY COUNTY, MARYLAND, (hereinafter referred to as "the County"). (The Landlord and the County together the "Parties")

WITNESSETH:

In consideration of the rent hereinafter reserved, and the covenants hereinafter contained, the Parties hereto mutually agree as follows:

1. LEASED PREMISES: Landlord does hereby lease and demise unto the County and the County hereby leases from the Landlord the premises described as Building 4, a one level structure consisting of approximately 1,350 square feet of space (the "Leased Premises") located at 23201 Stringtown Road, Clarksburg, Maryland, 20871 which is part of a development known as The Highlands of Clarksburg (the "Shopping Center") in its "as-is" condition and as shown on "Exhibit A" attached hereto and made a part hereof.

2. TERM: The term of this Lease shall be one (1) year (the "Lease Term") commencing upon the date and year first above written (the "Commencement Date"). The County accepts the Leased Premises in "as is" condition. County expressly acknowledges that except as expressly provided for in this Lease, Landlord makes no representations or warranties regarding the Leased Premises or the suitability of the Leased Premises for the County's business.

3. RENEWAL OPTION: County shall have the right, at its option, to extend the Lease Term for an additional one (1) year term (the "Renewal Term"). The County shall provide the Landlord written notice that the County exercises its option to extend the Lease Term at least one hundred and twenty (120) days prior to the expiration of the Lease Term.

4. RENT: Subject to the terms and conditions of this Lease, commencing on the Commencement Date, the County will pay to the Landlord an annual base rent ("Annual Base Rent") amount of One Dollar and No Cents (\$1.00), which amount is payable in advance, without setoff, deduction or demand, on the first day of each lease year. The Annual Base Rent payments will be payable by check to the Landlord as follows: Council of Unit Owners, Clarksburg Highlands Condominium, 7514 Wisconsin Avenue, Suite 500, Bethesda, Maryland 20814.

5. ADDITIONAL RENT: The County will pay to the Landlord throughout the Lease Term and Renewal Term, as Additional Rent, the County's proportionate share of the common area expenses (the "Common Area Expenses"). The Additional Rent shall be an annual amount of Eight Thousand Four Hundred Dollars and No Cents (\$8400.00), payable in equal monthly installments of Seven Hundred Dollars and No Cents (\$700.00). The Additional Rent has been computed at a rate of Six Dollars and Twenty Two Cents (\$6.22) per square foot for the Leased Premises. The Additional Rent are to be made in advance on the first day of each month, and will be payable by check to the Landlord as follows: Council of Unit Owners Clarksburg Highlands Condominium., 7514 Wisconsin Avenue, Suite 500, Bethesda, Maryland 20814.

If the County exercises its Renewal Option as contemplated in Paragraph 4 to this Lease, the Additional Rent for Common Area Expenses shall increase in proportion to the increase in the Common Area Expenses incurred by the Landlord.

6. PARKING: The County and its guests, invitees and visitors shall only be permitted to park in public parking spaces in the area above the office space on Brewers Tavern Way adjacent to the park. The County shall install signs within the parking area that was built for retail patrons of the adjacent shops that will direct all guests, invitees and visitors of the Leased Premises to the appropriate parking area on Brewers Tavern Way. Notwithstanding the foregoing, the County Ombudsman shall be permitted to park in the retail parking area.

7. USE: The County covenants and agrees that said premises shall be used and occupied by the Montgomery County Government as general government offices, public meeting space, and for no other purposes. The County shall have the right to occupy and use the Premises 24 hours a day, seven days a week.

8. COUNTY PROPERTY DAMAGE AND LIABILITY INSURANCE

- A. The County shall obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of commercial general liability insurance with bodily injury limits of \$200,000 (two hundred thousand dollars) for injury (or death) to one person, \$500,000 (five hundred thousand dollars) per occurrence, and property damage insurance with a limit of two hundred thousand dollars (\$200,000). The County shall have the right to self-insure. These are the maximum limits of liability for which the Montgomery County Self-Insurance Program is responsible, under the Local Government Tort Claims Act, Ann. Code, Cts & Jud. Proc. Sect. 5-301 et seq. (2002 Repl. Vol) as amended.
- B. The County agrees that it will not keep in or upon the Leased Premises any article which may be prohibited by the standard form of fire or hazard insurance policy.
- C. The County will indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to

property arising from or out of any occurrence upon or at the Leased Premises, or the occupancy or use by County of the Leased Premises or any part thereof, or the County's use of the exterior areas provided by Landlord for the comfort and convenience of County, occasioned wholly or in part, to such extent, by any act or omission of County, its agents, contractors, or employees, excepting claims arising out of the acts or omissions of the Landlord, the Landlord's agents, and employees. Provided, however, that the Landlord provides notice of claim to the County immediately. County shall indemnify Landlord against any penalty, damage or charge incurred or imposed by reason of County's violation of any law or ordinance.

- D. The County further agrees that all personal property in the Leased Premises shall be and remain at County's sole risk, and Landlord shall not be liable for any damage to or loss of such personal property excepting damage arising out of the acts or omissions of the Landlord, Landlord's agents, contractors or employees.
- E. The County shall deliver to Landlord a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days from execution of this Agreement. County reserves the right to self-insure.
- F. Any indemnification given by the County is subject to the notice requirements and damages limitations stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. Sec. 5-301, et seq. (2002 Repl. Vol.) (the "LGTC"); Md. Code Ann. Art. 25A, Sec. 1A (2003 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. Sec. 5-509 (2002 Repl. Vol.), (together the "County Indemnification Statutes"), all as amended from time to time.

9. LANDLORD PROPERTY DAMAGE AND LIABILITY INSURANCE

- A. Landlord shall obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of general liability insurance with limits of one million dollars (\$1,000,000) per occurrence for bodily injury and property damage, including fire legal liability, contractual liability, products and completed operations, personal injury and broad form property damage. Montgomery County must be named as Additional Insured on all liability policies.
- B. The Landlord shall provide a Special Form-Causes of Loss Property Policy to protect the interest of the Landlord and the County against loss caused by the perils insured in the amount of 100 percent of the Landlord's and the County's insurable interests of the Shopping Center. The policy shall also endorse a demolition clearing clause, extra expense and loss of use coverages with a sublimit of \$1,000,000.00 per occurrence. The policy must name Montgomery County, Maryland as loss payee.
- C. Landlord shall provide a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days from execution of this Agreement.
- D. Landlord will indemnify County and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property, business interruption and loss of use arising from or out of any occurrence upon or at the Leased Premises, or the occupancy or use by Landlord of the Leased Premises or any part thereof including exterior areas, to such extent, by any negligent act or omission of Landlord, its agents, contractors, or employees,

excepting claims arising out of the acts or omissions of the County, the County's agents, and employees. Provided, however, that County provides to Landlord immediate notice of any and all claims under which County will rely on this indemnification. Landlord shall indemnify County against any penalty, damage or charge incurred or imposed by reason of Landlord's violation of any law or ordinance.

10. ACCESS: County will allow Landlord or Landlord's agents to have access to the Leased Premises upon reasonable notice, except in the event of emergency (when only notice that is practicable shall be required), to County and at all reasonable times for the purpose of inspection or in the event of fire or other property damage, or for the purpose of performing any maintenance and repairs Landlord may consider necessary or desirable; or for the Landlord to show the Leased Premises to prospective tenants and to prospective purchasers and mortgagees at all reasonable times upon reasonable notice to County; provided, however, Landlord shall not unreasonably interfere with County's use of the Leased Premises.

11. LANDLORD SERVICES: Landlord shall be responsible for cleaning the common area (that includes the sidewalks, walkways and pavement areas) and keeping the common area free and clear of snow and ice. The Landlord shall also make all necessary maintenance, repairs and replacements to all roof water protection, including the roof, flashing, gutters, downspouts, and roof drains, all exterior walls, interior columns, windows, interior concrete slabs, and the foundation. The County shall be responsible for keeping the outside area immediately adjacent to the Premises free of trash.

In the event Landlord fails to provide emergency maintenance and repair with dispatch and due diligence appropriate to the condition after notice from the County, then County shall have the right but not the obligation to correct these problems and be reimbursed the reasonable cost thereof by Landlord.

If Landlord, at any time during the Lease Term, shall default in any material respect the performance or observance of any obligation on Landlord's part to be performed or observed pursuant to Paragraph 11 of the Lease, and shall not cure such default within fifteen (15) days after receipt of written notice thereof from County (or shall not within said period commence to cure such default and thereafter prosecute the curing of such default to completion with due diligence), then, provided County is not then in default under the Lease, beyond applicable notice and grace periods, County may, at its option, but is under no obligation to so act, cure such default, and Landlord agrees to reimburse County the amounts reasonably incurred by County in so doing within a reasonable period of time agreed to by both County and Landlord; provided that County shall not undertake maintenance, repairs and/or replacements to any structural element of the building in which the Leased Premises is situated ("Building") or the roof thereof or to any Building service equipment or system which serves or may affect any space in the Building other than the Leased Premises or to any portion of the common areas other than the sidewalk immediately in front of the Leased Premises. Notwithstanding the foregoing, in no event shall County be entitled to set-off or deduct any amounts incurred by County hereunder against the Annual Base Rent due under the Lease. A default of performance or observation of any obligation under Paragraph 11 of the Lease if not cured as provided above can, at the option of County and after notice is given, be considered a default of the Lease and County shall have those rights prescribed under Paragraph 19 below.

12. COUNTY SERVICES : The County shall throughout the Lease Term, at its sole cost and expense, provide full service maintenance including but not limited to all utilities, maintenance and repairs, trash removal and pest control within the Leased Premises and the storefront thereof (including any signage). The County shall maintain the Leased Premises and every part thereof in good order and repair, clean, sanitary and safe. County shall not cause or permit any waste, damage or injury to the Leased Premises. County's obligations shall include, without limitation, repairing, maintaining, and making replacements to items such as the following located within or serving the Leased Premises: floor and floor coverings; walls (other than structural walls) and wall coverings; ceilings; utility meters; pipes and conduits; electrical fixtures; plumbing fixtures and all HVAC

equipment serving the Leased Premises. County agrees to maintain all sprinkler and other mechanical systems serving the Leased Premises. County agrees to maintain all doors; locks and closing devices; window sashes; storefront; glass door and glazing serving the Leased Premises. Subject to the waiver of subrogation provisions any repair obligated to be performed by a party ("Obligated Party") under this Lease was caused by the negligence of the other, its agents, contractors or employees ("Negligent Party"), the Obligated Party shall make such repair but the Negligent Party shall reimburse the Obligated Party for the cost of such repair to the extent that the same exceeds any insurance proceeds (plus the deductible) recoverable by the Obligated Party. Such payment shall be made within thirty (30) days after the Negligent Party receives request there from the Obligated Party, which request shall include confirmation of insurance proceeds received by the Obligated Party, or if no insurance proceeds were received, a letter from the insurance company denying coverage for the claim, and if a party is self-insured, evidence that the peril is not covered in a special form- causes of loss policy. County shall maintain a repair and maintenance contract on the heating, ventilation and air conditioning system serving the Leased Premises reasonably acceptable to Landlord.

Starting with the Commencement Date and continuing throughout the Term of this Lease (including the Renewal Option term), Tenant shall pay as and when the same become due and payable all sewer and water fees, and all charges for electricity, gas (if any) and all other utilities (and fees for services) serving the Premises. All utilities serving the Premises are and shall be separately metered.

13. ALTERATIONS, ADDITIONS AND IMPROVEMENTS: County will not make any alterations, additions, or improvements of any kind to the Leased Premises without the Landlord's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. County shall provide Landlord with plans and specifications of said work. The County agrees to reimburse Landlord for all costs incurred by Landlord in reviewing County's proposed changes or additions and improvements and provided further that, in order to protect the functional integrity of the Building, Landlord shall have the right to approve County's contractor, and such approval shall not be unreasonably

withheld, conditioned or delayed. Upon receipt of Landlord's written approval of the County's plans and specifications, County may proceed to perform the work at County's expense, or at County's option, County may request that Landlord perform said work at County's expense and at negotiated prices. County shall pay for any work performed by Landlord on County's behalf after inspection by County and within thirty (30) days from the submission of an invoice by Landlord for work reasonably approved by County, as additional rent hereunder. All construction or alterations performed in the Premises by County shall be (i) performed in a good and workmanlike manner and in compliance with all applicable laws, rules and regulations and with all other provisions of this Lease, (ii) pursued diligently and in good faith to completion; and (iii) performed in a manner as to not to interfere with the business or operations of Landlord or any other occupant of the Shopping Center.

All alterations, additions, or improvements made by either of the Parties upon the Leased Premises shall become the property of the Landlord and shall remain upon and be surrendered with the Leased Premises upon the termination of this Lease unless Landlord requires County to remove such property at the time Landlord approves installation of such improvements. County shall, with Landlord's written consent, which shall not be unreasonably withheld, conditioned or delayed have the right to install any furniture or office machinery necessary in the conduct of its business within the Leased Premises, and the same shall remain the property of the County, and shall be removed by County upon the termination of this Lease.

14. NOTICE OF DEFECTS: The County shall provide Landlord with prompt notice of accidents on or damages to the structure, equipment, or fixtures of the Leased Premises, or notice of need for repairs in the roof, plumbing, electric and heating systems, to be remedied by Landlord in accordance with the terms of this Lease.

15. ASSIGNMENT AND SUBLEASING: The County shall not have the right to transfer possession or occupancy of the Leased Premises, nor sublet or assign this Lease to any person or persons without the prior written consent of the Landlord.

Landlord's consent shall not be unreasonably conditioned, withheld or delayed. County agrees not to market or advertise the Leased Premises for sublet or this Lease for assignment without the prior written consent of Landlord as to all advertising, marketing and promotional materials. The County shall not sublet the Premises to any entity or for any purpose that is not consistent with the conditions imposed by Maryland-National Capital Park and Planning Commission Approved Site Plan for the Premises. In the event that any assignee or subtenant pays to County any amounts in excess of the Annual Base Rent and additional rent then payable hereunder, or pro rata portion thereof on a square footage basis for any portion of the Leased Premises, County shall promptly pay 100% of such excess to Landlord as and when received by County. If County requests Landlord's consent to assign this Lease or sublet more than 50% of the Leased Premises, Landlord shall have the option, exercisable by written notice to County given within ten (10) days after receipt of such request, to terminate this Lease as of a date specified in such notice which shall be not less than thirty (30) or more than sixty (60) days after the date of such notice. Any such assignment or subleasing shall not relieve County from obtaining the consent in writing of Landlord to any further assignment or subleasing. Any assignee shall sign a reasonable assumption agreement as required by Landlord, pursuant to which such assignee assumes all of County's obligations under this Lease.

16. COUNTY'S COVENANTS: County covenants and agrees:

- A. To pay the rent as provided in the lease to Landlord and until the Lease expiration date or until possession is redelivered to Landlord, if this occurs after the Lease expiration date.
- B. Not to strip or overload, damage or deface the Leased Premises or hallways, stairways, or other approaches thereto.
- C. Not to suffer or permit any trade or occupation to be carried on or use made of the Leased Premises which shall be unlawful, noisy, offensive or injurious to any person or property, or such as to

increase the danger of fire or make void or voidable any insurance on said Building, in Landlord's concern to maintain the first-class business (non-medical, non-lab) nature of the Building.

- D. Not to move any furniture or equipment into or out of the Leased Premises without Landlord's consent thereto, which consent shall not be unreasonably withheld, conditioned or delayed.
- E. Not to place upon the interior or exterior of the Building or any window or other part thereof or door of the Leased Premises any placard, sign, covering or drapes, except such and in such place as shall have been first approved by Landlord which approval shall be subject to the Rules and Regulations of Clarksburg Highlands Condominium. The Landlord hereby consents to the construction of interior walls and partitions within the Leased Premises, subject to its removal by the County at the termination of the Lease unless the Landlord specifically permits these interior walls and partitions to remain. To remove, at County's expense, any changes, additions, signs, curtains, blinds, shades, interior walls and partitions, awnings, aerals, flag poles, or the like not consented to in writing.
- F. To conform to all rules and regulations from time to time established by appropriate insurance rating organizations, and to all reasonable rules and regulations from time to time established by Landlord.
- G. To keep the Leased Premises equipped with all safety appliances required by law or ordinance or any other regulation of any public authority because of any use made by County and to procure all licenses and permits so required because of such use and, if requested by Landlord, to do any work so required because of such

use, it being understood that the foregoing provisions shall not be construed to broaden in any way County's permitted uses.

- H. To keep all of County's employees working in the Leased Premises covered by worker's compensation insurance in statutory amounts and to furnish Landlord with a current certificate thereof. County reserves the right to self-insure.

17. DESTRUCTION OF PREMISES: In the event of damage or destruction of the Leased Premises by fire or any other casualty, this Lease shall not be terminated, but the Leased Premises shall be promptly and fully repaired and restored as the case may be by the Landlord to the extent of Landlord's insurance proceeds provided such repair and or restoration returns the Leased Premises to substantially the condition prior to such damage or destruction. Due allowance, however, shall be given for reasonable time required for adjustment and settlement of insurance claims, and for such other delays as may result from government restrictions, and controls on construction, if any, and for strikes, national emergencies and other conditions beyond the control of the Landlord. It is agreed that in the event of damage or destruction, this Lease shall continue in full force and effect, except for abatement of rent as provided herein. If the condition is such as to make the entire Leased Premises "untenantable", then the rental which the County is obligated to pay hereunder shall abate as of the date of the occurrence until the Leased Premises have been fully restored by the Landlord. Any unpaid or prepaid rent for the month in which said condition occurs shall be prorated and credited or paid to the appropriate party. If the Leased Premises are partially damaged or destroyed, then during the period that County is deprived of the use of the damaged portion of said Leased Premises, County shall be required to pay rental prorated to reflect that portion of the Leased Premises which continues to be "tenantable" and appropriate for County's use. Landlord will proceed at its expense and as expeditiously as may be practicable to repair the damage. Notwithstanding any of the foregoing, in the event of substantial damage or destruction, and Landlord should decide not to repair or restore the Leased Premises or the Building, in which event and at Landlord's sole option, Landlord may terminate this Lease forthwith, by giving

County a written notice of its intention to terminate within sixty (60) days after the date of the casualty. No compensation, or claim, or diminution of rent other than as described above will be allowed or paid, by Landlord, by reason of inconvenience, annoyance, or injury to business, arising from the necessity of repairing the Leased Premises or any portion of the Shopping Center of which they are a part.

18. DELIVERY OF THE PREMISES: County covenants at the expiration or other termination of this Lease, to remove all goods and effects from the Leased Premises not the property of Landlord, and to yield to Landlord the Leased Premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to County), in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk for which County is not herein expressly made liable excepted. County further agrees to restore the Premises to the condition to which it was delivered by the Landlord subject to reasonable wear and use. County's failure to remove any of its trade fixtures, equipment, personal property or signs by the end of the term of the Lease shall be deemed abandonment thereof and Landlord may dispose of the same at County's sole cost and expense.

19. DEFAULT:

- A. By County: In the event that rent, or any installment thereof, shall remain unpaid after it becomes due and payable, for ten (10) days after written notice to the County for same, or if County or County's assigns shall fail or neglect to keep and perform each and every one of the terms of this Lease, and such failure or neglect continues for more than thirty (30) days (or such period as may reasonably be required to correct the default with exercise of due diligence,) after written notice to County from the Landlord specifying the default, then at the option of the Landlord, the Landlord and his assigns may proceed to recover possession under the laws of the State of Maryland. Landlord may also pursue any rights and remedies

available for such default under the laws of the State of Maryland. If County defaults in the doing of any act under this Lease required to be made or done by County, then Landlord may, but shall not be required to do such act and charge the amount of the expense thereof which shall be due and payable as additional rent within five (5) days of Landlord's demand therefor. In addition, after a default by County, Landlord may terminate this Lease by giving notice of such termination to County, whereupon this Lease shall automatically cease and terminate, and County shall be obligated to immediately quit the Leased Premises. Any other notice to quit or notice of Landlord's intention to re-enter the Leased Premises is hereby expressly waived. If Landlord elects to terminate this Lease, everything contained in this Lease on the part of Landlord to be done and performed shall cease, without prejudice, however, to the right of Landlord to recover from County all rent accrued up to the time of termination or recovery of possession by Landlord, whichever is later, and any other monetary damages or loss of rent sustained by Landlord whether before or after such termination.

- B. By Landlord: In the event that the Landlord or his assigns shall fail or neglect to keep and perform each and every one of the covenants, conditions, and agreements contained herein, and such failure or neglect is not remedied within thirty (30) days (or such period as either otherwise provided herein on as may reasonably be required to correct the default with exercise of due diligence) after written notice from the County or its assigns specifying the default, then the County or its assigns, at County's option, may pursue any and all legal remedies available. It is understood, however, that Landlord shall be entitled to notice, hearing and opportunity to cure or contest any claimed violations of the foregoing as to the full extent provided by federal, state or local law. If Landlord fails to cure the default

within the cure period set forth above, and if such default has a material and adverse effect upon The County's ability to operate its usual and regular business in the Leased Premises, and the County has no other adequate remedy under this Lease or at law, the County may declare the Lease Term ended and vacate the Leased Premises, and be relieved from all further obligations under this Lease.

- C. No default as hereinbefore provided shall be deemed complete unless at the time Landlord or County seeks to take any action based upon such alleged default the same shall remain uncured by the defaulting party. In no event shall either party be liable for consequential or punitive damages.

20. HOLDOVER: If County shall hold possession of the Leased Premises after the expiration or termination of this Lease, at Landlord's option (i) County shall be deemed to be occupying the Leased Premises as a Tenant from month to month, not to exceed a period of 6 months during which time either party may terminate this Lease on thirty (30) days written notice, and will be otherwise subject to all of the terms and conditions of this Lease, or (ii) Landlord may exercise any other remedies it has under this Lease or at law in equity including an action for holding over after the date stipulated in Landlord's notice above.

21. QUIET POSSESSION: Contingent on the performance of all covenants, conditions and agreements herein contained to be performed on County's part and subject to the provisions of this Lease, County shall at all times during the term of this lease have the peaceable and quiet enjoyment and possession of the Leased Premises for the purposes herein cited without interference from Landlord or any party claiming through Landlord.

22. STATUTORY PROVISIONS: It is understood, agreed and covenanted by and between the Parties that the Landlord and County, as their interests may appear and at their respective expense, will promptly comply with, observe and perform all of the

requirements of all applicable Federal, State, County and Local statutes, ordinances, rules, orders and regulations in effect during the Lease Term. Notwithstanding the foregoing, Landlord shall not be required to comply with any such governmental laws, rules, orders, ordinances for which it would otherwise be responsible, if the same have been imposed or are applicable as a result of County's negligence, County's particular use of the Leased Premises, County's failure to make repairs required of County hereunder, or which are imposed as a result of alterations or improvements made by County, or as a result of County failure to comply with any of its obligations under this Lease and in such event County shall comply with such governmental laws, rules, orders, ordinances.

23. WAIVER: The waiver at any time by the Landlord or County of any particular covenant or condition of this Lease shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver shall not be construed or understood as waiving any further or other rights of any character whatsoever. No endorsement or statement on any check or letter accompanying a check for payment of rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or to pursue any other remedy provided in this Lease.

24. NON-DISCRIMINATION: Landlord agrees to comply with the non-discrimination policies in County contracts as required by Section 11B-33 and Section 27 of the Montgomery County Code 2004, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Landlord assures the County that in accordance with applicable law; it does not, and agrees that it will not discriminate in any manner on the basis of race, color, religious creed, sex, martial status, national origin, ancestry, disability, sexual orientation or genetic status.

25. NON-APPROPRIATION: This Lease is subject to the appropriation of funds. If funds are not appropriated, for any reason whatsoever, the Lease will automatically terminate on July 1 of the calendar year which the County does not appropriate funds. County shall give Landlord at least thirty (30) days written notice of the

lack of appropriation. The County shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

26. CONTRACT SOLICITATION: Landlord and Tenant represent that neither party has retained anyone to solicit or secure this Lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. Each of the Parties hereto shall indemnify the other against, and hold it harmless from, any and all liabilities, damages, costs, claims and obligations arising from any claim (including, without limitation, the cost of attorneys' fees in connection therewith) of any such party to a commission, percentage, brokerage or contingent fee.

27. PUBLIC EMPLOYMENT: Landlord understands that unless authorized under Chapter 19A and Section 11B-52 of the Montgomery County Code 2004, as amended, it is unlawful for any person transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

28. CONDEMNATION: In the event that the Leased Premises, or any part thereof, or more than twenty-five percent (25%) of the building of which the Leased Premises are a part is taken or condemned for public use or purpose by any competent authority, County shall have no claim against the Landlord and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation; and all rights of the County to damages therefore, if any, are hereby assigned by the County to the Landlord. Upon such condemnation or taking, the term of this Lease shall cease and terminate from the date of such governmental taking or condemnation and the County shall have no claim against the Landlord for the value of any unexpired term of this Lease. The foregoing notwithstanding, County shall be entitled to claim, prove and receive in the condemnation proceedings such awards as may be allowed for relocation expenses and for fixtures and other equipment installed by County which shall not, under the terms of this Lease, be or become the property of Landlord at the termination hereof, but only if such an award is made by condemning authorities in

addition to and stated separately from the award made for the land and the Building or parts thereof so taken.

29. GENERAL PROVISIONS:

- A. Entire Agreement: It is further understood and agreed that this instrument contains the entire agreement between the Parties hereto and shall not be modified in any manner except by an instrument in writing duly executed by the Parties hereto.
- B. Rights and Remedies: In addition to any and all rights and remedies specifically mentioned in this Lease, Landlord and County shall have all rights and remedies granted by Law or in equity. Resort to one remedy shall not be construed as a waiver of any other remedy. Failure by Landlord or County to resort to any or all of their respective rights or remedies shall not be considered to be a waiver of such rights or remedies, nor to be acquiescence of any party in any action or default.
- C. Governing Law: The provision of this Lease shall be governed by the laws of the State of Maryland. If any term of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term shall not be affected thereby.

30. SUBORDINATION: Landlord shall have the absolute right to encumber the Leased Premises set forth in this Lease and the Lease, at the option of Landlord, shall be subordinate to such encumbrance or encumbrances. County agrees to sign acceptable and appropriate papers for subordination within twenty (20) business days after Landlord's written request, provided such subordination shall be upon the express condition that the Lease shall be recognized by the holder of the encumbrance and the rights of County shall

remain in full force and effect during the Lease Term or any extension thereof. In the event of a sale or transfer of the title to the aforesaid land and premises, any transferee shall be entitled to have this Lease subordinated to the lien and effect of any deed of trust or mortgage. Within twenty (20) days after request thereof, the County agrees to execute subordination documents stating that the Lease is subordinated subject to the conditions in this Paragraph.

This Lease is subject and subordinate to all prior recorded encumbrances on the Property. In addition to or instead of a subordination agreement, the Landlord or the Landlord's successor in interest of transfer may request the County execute an estoppel certificate in the form attached as Exhibit B and made a part of this Lease and County shall return the same within twenty (20) days after such request.

This Lease is subject to approval of the Board of Directors of the Council of Unit Owners, Clarksburg Highlands Condominium. A Resolution depicting the approval of this Lease is attached hereto as Exhibit "C."

31. BENEFIT AND BURDEN: The provisions of this Lease shall be binding upon, and shall inure to the benefit of the Parties and each of their respective representatives, successors and assigns.

32. WAIVER OF JURY TRIAL: Should any controversy arise by and between the Parties concerning any of the terms and conditions contained in this Lease, or the payment of monies due hereunder, each of the Parties hereby knowingly, voluntarily and intentionally waives its right to a jury trial and freely elects to be tried by a court of competent jurisdiction without a jury located in the State of Maryland.

33. SIGNAGE: All signage shall be subject to County code and approval of the Board of Directors of the Council of Unit Owners, Clarksburg Highlands Condominium.

34. **MAIL NOTICES:** All notices required or desired to be given hereunder by either party to the other shall be given certified or registered mail, postage prepaid, or sent by facsimile addressed to Landlord or County respectively. Notice to the respective Parties shall be addressed as follows:

LANDLORD:

Council of Unit Owners Clarksburg
Highlands Condominium
7514 Wisconsin Avenue, Suite 500
Bethesda, Maryland 20814
Attn: Donnie Gross, President

With a copy that does not constitute a notice:

Steven A. Robins, Esquire
Lerch, Early & Brewer Chtd.
3 Bethesda Metro Center, Suite 460
Bethesda, Maryland 20814

COUNTY:

Montgomery County, Maryland Department of Public Works and Transportation
Office of Real Estate
101 Monroe Street, 10th Floor
Rockville, Maryland 20850

With a copy that does not constitute a notice:

Office of the County Attorney for Montgomery County Maryland
101 Monroe Street, 3rd Floor
Rockville, Maryland 20850
Attn: County Attorney

35. **SURVIVAL:** Any obligations of the Parties accruing prior to the termination hereof, including but not limited to rental or indemnity obligations, shall survive termination hereof.

36. MECHANIC'S LIENS: County shall not suffer, permit or give cause for the filing of a lien against the Leased Premises. If any mechanic's or materialman's lien or notice of lien shall at any time be filed against the Leased Premises by reason of work, labor, services or materials performed or furnished to County or to anyone holding the Leased Premises through or under County, County shall immediately cause the same to be bonded or discharged of record. If County shall fail to cause such lien or notice of lien to be discharged or bonded within twenty (20) days after the filing thereof (or such shorter period of time not less than ten (10) days if such discharge is necessary for Landlord's refinancing or sale of the Shopping Center), then, in addition to any other rights and remedies available to Landlord at law, in equity or under this Lease, Landlord may, but shall not be obligated to, discharge or bond off the same by paying the amount claimed to be due or posting a bond, and the amounts so paid by Landlord and all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in paying, bonding off or procuring the discharge of such lien, shall be due and payable by County to Landlord as Additional Rent within five (5) days of Landlord's demand therefor.

37. TRASH REMOVAL: The County shall arrange for regular, prompt, and reliable trash removal for all trash generated at or associated with the Leased Premises, at County's sole expense, using containers and dumpsters approved by Landlord and at such times, in such manner, and in such locations, as Landlord may reasonably direct. If Landlord elects, Landlord may provide common dumpsters for the Shopping Center, or a portion of the Shopping Center, and/or arrange for trash pick-up for one or more tenants. The charges that may be incurred by, or contracted for by, Landlord for maintaining the common dumpsters and/or trash removal are referred to herein as "Trash Charges". If Landlord provides common dumpsters and/or common trash removal services, the County shall pay, its allocated share of such applicable Trash Charges either (i) as part of common area costs, or (ii) as additional rent after being billed for same by Landlord, at Landlord's discretion. The County's allocated share of the common area costs applicable to the Trash Charges specified above shall be such charges multiplied by a fraction, the numerator of which shall be the gross leasable area of the Leased Premises, and the denominator of

which shall be the total gross leasable area of the tenants in the Shopping Center who use the common dumpsters.

38. COMMON AREA COSTS: County agrees to pay to Landlord, in the manner hereinafter provided, County's proportionate share (as defined in Paragraph 5 above) of all costs and expenses paid or incurred by Landlord, or for which Landlord is obligated to pay, for operating, administering, cleaning, policing and protecting, lighting, insuring, repairing, replacing, and maintaining the common areas of the Shopping Center as defined below. Beginning with the commencement date, County will pay to Landlord, as additional rent hereunder, without deduction or set-off, County's proportionate share as a separate charge, in the amount of Seven Hundred Dollars and No Cents (\$700.00) per month, as defined in Paragraph 5, in advance of the first day of each calendar month. Common Area Costs also shall increase proportionately if the County exercises the Renewal Option pursuant to Paragraph 5 herein.

Common areas shall be defined as all that portion of building improvements excepting that area which is presently leased to tenants or is hereafter to be leased to tenants. Common areas shall include the parking areas provided by Landlord for the Shopping Center, the public conveniences of the Shopping Center, and all other areas in the Shopping Center now or hereafter constructed and intended to be used in common by the tenants and/or customers of the Shopping Center.

39. REAL ESTATE TAXES: The Parties agree that there shall not be a separate charge for real estate taxes in this Lease.

40. OPTION TO PURCHASE: The Parties agree that anytime during the term of this Lease or not later than 90 days prior to the termination of the Lease, including the Renewal Term, the County shall have the right to purchase the Leased Premises from Landlord for \$1. Prior to such transfer and in order to effectuate the transfer, the County and the Landlord shall execute a Purchase Agreement for the Lease Premises that contains the terms and conditions necessary to complete the transfer and also shall obtain, in

writing, the approval from the Maryland-National Capital Park and Planning Commission that such transfer does not violate the Site Plan approval regulating the property of which the Leased Premises is a part.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Parties hereto have caused this LEASE to be properly executed.

WITNESS:

By:

LANDLORD:

Council of Unit Owners
Clarksburg Highlands Condominium

By

Donnie Gross

Title: President

WITNESS:

By:

TENANT:

Montgomery County, Maryland

By:

Joseph F. Beach, Assistant

Chief Administrative Officer

Date:

APPROVED AS TO FORM AND
LEGALITY OFFICE OF THE
COUNTY ATTORNEY

By:

Associate County Attorney

Date:

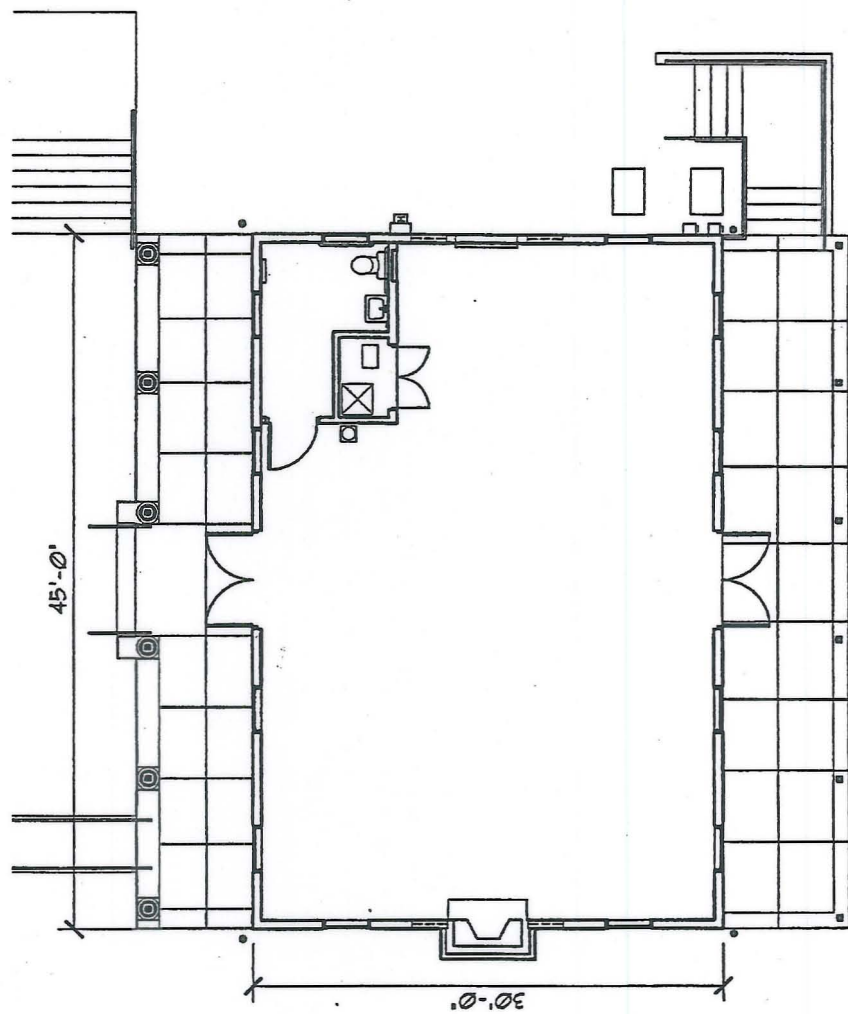
RECOMMENDED

By

Cynthia Brenneman, Director
Office of Real Estate

Date:

RV
ROUNDS VANDUZER
ARCHITECTS, PC
03/1/04
SCALE 1/8" = 1'-0"



THE HIGHLANDS AT CLARKSBURG
BUILDING 4 FIRST FLOOR PLAN

EXHIBIT B

TENANT ESTOPPEL CERTIFICATE

To: , its successors and/or assigns ("**Lender**")
 , its successors and/or assigns ("**Purchaser**")

Re: Property Address: ("**Property**")
Lease Date:
Between ("**Landlord**") and
Montgomery County, Maryland ("**Tenant**")
Square Footage Leased:
Suite No./Floor: ("**Leased Premises**")

Landlord has requested that Tenant provide Landlord with an estoppel certificate as permitted from time to time under the terms of the above-referenced lease ("**Lease**"). Tenant hereby acknowledges the following:

- (1) The Lease, which includes the Lease and all amendments to the Lease attached as Exhibit "A", is a true, correct, and complete copy of the Lease, as amended; is in full force and effect; and has not been modified, supplemented, or amended in any way other than in writing attached as part of Exhibit A. The Lease as amended in Exhibit A represents the entire agreement between the Landlord and Tenant as to the Leased Premises or any part of the Leased Premises.
- (2) The Lease Term commenced on _____, and terminates on _____. The Lease provides for _____ renewal/extension option(s) of _____ (months/years) each. Tenant has exercised _____ renewal/extension options on the date that this Certificate is issued by Tenant.
- (3) The amount of fixed monthly rent is \$ _____; the monthly common area or other charges are \$ _____. The base year for operating expenses and real estate taxes, as defined in the Lease, is calendar year 200__.
- (4) Tenant paid no security deposit under the terms of the Lease. Tenant has paid rent for the Leased Premises through _____, 200__.
- (5) Tenant currently occupies the Leased Premises.
- (6) All work to be completed by Landlord for the Tenant prior to occupancy has been performed as required and has been accepted by the Tenant (if not, specify what punch list or other items remain to be completed, and the amount budgeted for completion; and any payments, free rent, or other payments, credits, allowances or abatements required to be given by Landlord up to the date of issuance of this Certificate have been credited or paid to Tenant.

- (7) As of the date that this Certificate is issued by Tenant, Tenant has no knowledge of any default by Landlord other than those specified in Exhibit B, attached. As of the date that this Certificate is issued by Tenant, Tenant has no knowledge of any offset, defense, deduction or claim against Landlord other than those listed in Exhibit B, attached.
- (8) Tenant is not in default under the Lease.
- (9) Tenant has not assigned the Lease or sublet all or any portion of the Leased Premises, except as listed in Exhibit D, attached. Any sublease or assignment documents are attached as part of Exhibit D.
- (10) Any notices to be sent to Tenant should be sent in the form required in the Lease to:

Montgomery County, Maryland
Department of Public Works & Transportation
Office of Real Estate
101 Monroe Street, 10th Floor
Rockville, MD 20850
Attn: Director

With a copy that does not constitute notice to:

Office of the County Attorney
101 Monroe Street, 3rd Floor
Rockville, MD 20850
Attn: County Attorney

TENANT:
Montgomery County, Maryland

By: _____
Joseph F. Beach
Assistant Chief Administrative Officer

EXHIBIT C

CLARKSBURG HIGHLANDS CONDOMINIUM RESOLUTION

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
CLARKSBURG HIGHLANDS CONDOMINIUM

A Special Meeting of the Board of Directors of Clarksburg Condominium was held, pursuant to notice, on Tuesday, September 6, 2006, at 4:00 P.M. at 7514 Wisconsin Avenue, Suite 500, Bethesda, Maryland 20814.

The meeting was called to order by Donnie Gross, President at 4:00 P.M.

The following members of the Board of Directors were in attendance:

Donnie Gross
Scott Shinski
Rachel Smith
Keith Rosenberg

Upon motion made, seconded and unanimously passed, the Board of Directors approved the lease attached to these minutes leasing Building 4 to Montgomery County, Maryland; and authorized the President to execute the lease on behalf of the Board of Directors.

There being no further business before the Board, the meeting was adjourned at 4:10 P.M.



Keith A. Rosenberg
Secretary

EXHIBIT D

ASSIGNMENT OR SUBLEASE OF LEASED PREMISES

“NONE”